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DATE: February 26, 2014

TO: Connecticut Joint Insurance Committee

FROM: Augusto Russell, CIC  
President, Professional Insurance Agents of Connecticut Inc.

RE: **CONCERNING RAISED H.B.5282**

I am writing on behalf of the Professional Insurance Agents of Connecticut Inc., an association representing more than 400-member professional, independent insurance agents who employ thousands of people throughout the state.

We write to support the intent of this legislation and applaud the initiative to address this often-troublesome area of law. We have concerns, however, that some of the specific provisions in the bill, as drafted, could pose unintended, undesirable consequences to those the bill seeks to help.

The new Section 2 of the bill requires a business owner who opts out of workers' compensation coverage to waive "all rights and claims against any client resulting from any injury such owner may incur while providing services to such client." This provision would prohibit the opting-out party from recovering for *any* injury, which as written would include injuries caused by negligent, reckless or intentional acts caused by his or her client. This is contrary to the reasonable expectations and public policy interests of employers and workers in the state. An employer seeking to opt out of workers' compensation coverage would then be forced to self-insure against all injuries caused by his or her client, possibly producing a chilling effect on small businesses.

PIACT supports the presumed intent of the bill, to assist small business owners in making informed decisions regarding their workers' compensation status; and is eager to work with the sponsor to further this goal.